

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF WALT ) APPEAL NOS. 07-A-2189  
UHLENHOFF from the decisions of the Board of ) AND 07-A-2190  
Equalization of Ada County for tax year 2007. ) FINAL DECISION  
 ) AND ORDER

**RESIDENTIAL PROPERTY APPEALS**

THESE MATTERS came on for consolidated hearing November 27, 2007 in Boise, Idaho before Hearing Officer Steven Wallace. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellant Walt Uhlenhoff appeared at hearing. Chief Deputy Appraiser Tim Tallman and Appraisers Rick Stolz and Diana Landers appeared for Respondent Ada County. These appeals are taken from decisions of the Ada County Board of Equalization (BOE) denying the protests of valuation for taxing purposes of property described as Parcel Nos. R7192780040 and R7192780045.

**The issue on appeal is the market values of two (2) four-plexes.**

**The decisions of the Ada County Board of Equalization are modified.**

FINDINGS OF FACT

Parcel No. R7192780040

The assessed land value is \$146,300, and the improvements' valuation is \$195,000, totaling \$341,300. Appellant requests the land value be reduced to \$90,000, and the improvements' value remain the same at \$195,000, totaling \$285,000.

Parcel No. R7192780045

The assessed land value is \$146,300 and the improvements' valuation is \$195,000 totaling \$341,300. Appellant requests the land value be reduced to \$90,000, and the improvements valuation remain unchanged at \$195,000, totaling \$285,000.

The subject properties are two (2) four-plexes located on .291 and .308 acre lots adjacent

to one another. Both were built in 1977. Both have 3,000 square feet of living area and carports.

Appellant maintained the assessments were excessive. Taxpayer analyzed the sale prices of comparable properties and arrived at a price rate of \$95 per square foot. The \$95 was applied to subject's square footage to arrive at the values claimed.

Appellant objected to the comparable properties utilized by the Respondent where they had different room counts. A copy of the BOE's denial order was submitted where there was no adjustment to the assessed values.

Appellant submitted a copy of the Intermountain MLS data where he obtained the sale prices of 39 four-plexes. The sales took place from January 1, 2006 through June 20, 2007. Appellant averaged these sales to determine an average price per square foot of \$93.29.

Appellant analyzed another set of MLS four-plex sales. The sale dates were between July 1, 2006 and June 20, 2007. Appellant considered the Bench area sales the most comparable to subject. The averaged sale prices of these 15 properties was \$96.38 per square foot. Together the two (2) price averages were opined to support a rate of \$95 per square foot for subjects. Appellant believed this was the fair way to assess property.

Appellant maintained most of the sold units were larger than the subject units. And that most of the sales involved two-bedroom units and were newer.

Seventeen sales from Southeast Boise, with sale dates between January 2005 and June 2007 were also analyzed. Appellant pointed out that two (2) four-plexes sold in April of 2005 for \$227,000 each and then resold in February of 2006 for \$322,900 each. In the 10-month period between sales, the price increased about 42%. However Appellant maintained they were not good sales. It was noted these were the highest priced properties per square foot in Southeast Boise. Taxpayer claimed using a broad based average was better for arriving at a reasonable

value. Appellant did not present any four-plex land-only sales.

Appellant noted the assessed value of the comparable property offered by the County was well below the selling price. The inequity was described as disturbing.

The resale properties were listed January 16, 2007 and sold seven (7) days later to one of the listing office's salesmen. Appellant was uncomfortable with conditions surrounding the in-house sales transaction. These two (2) sales were noted to be the only comparables presented by the County. Appellant does not think the "one" sale is by itself indicative of subjects' values. Appellant maintained the income from the properties should also be considered. The price for the County comparables was allegedly not supported by the income received from the properties.

The County Appraiser attested to a conversation with Appellant about the difficulties in comparing four-plexes with different room counts. Respondent noted in its Exhibit No. 1 subjects were 3,000 square foot four-plexes built in 1977. Subjects have carports and are located on larger than typical lots.

Between 2005 and 2006, subjects' assessed value increased in equal proportion to the average median home price in Ada County. Two (2) four-plexes located very near subject sold in 2006 for \$322,900 or \$131.90 per square foot. This was the in-office sale referred to by Appellant. These properties were 2,448 square feet and included four (4) 1-bedroom 1-bath units built in 1970. There was no covered parking. The County considered these 1-bedroom units the most comparable to subjects and the best sales available for comparison purposes.

After a comparison of square footage, condition and other amenities, these sales indicated a value for subjects of \$345,680 each. The Assessor also submitted an income approach using a gross rent multiplier (GRM) of 168. This indicated a value of \$348,600 for each subject. The

GRM was reportedly arrived at by dividing the sale price by the gross monthly rent of other four-plexes in subjects' area.

An aerial photograph of the subject and sales was submitted. The County noted subject's immediate locale was quiet and shaded and in a cul-de-sac. There is a nearby park and greenbelt type path. The sale properties do not have car storage or shade and are located in a busier area. It was noted 1-bedroom sales were rare, and these were the best sales available.

Regarding the assessed values of these sale properties at \$261,300, compared to the prices at \$322,900, the County noted the condition of the properties had changed significantly before the sale. Condition is important to assessment. The Assessor noted the condition at sale was significantly better than the county's past records reflected. It was stated the 2008 assessed value will reflect the upgraded condition of these properties. Appellant countered the difference between price and assessed value was about \$60,000 per property. It was argued there was not \$60,000 worth of condition upgrades.

Respondent noted it had provided both income and sales comparison approaches to value and opined subjects' assessed values were well supported.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Appellant requests a reduction in subject's assessed values, to be applied to the land components. Subjects' land assessments increased quite sharply in tax year 2006 to \$131,300. Neither party presented comparable land sales in this appeal. The County admitted the

importance of considering room counts in the valuation of subjects and the related difficulty due to a relative dearth of such sales information.

The County did present multiple approaches to value on subjects. However the supporting data was not always presented in detail. Both parties did present sales evidence of improved four-plex properties. They approached the question of subjects' market values differently. The Board finds there is some merit and probative value associated with the evidence of both parties. The Board finds factoring in Appellant's large body of price evidence and the associated analysis warrants a reduction in value.

The significant increases in subjects' land values the last couple years was not well supported. For the purposes of deciding this appeal and correcting subjects' assessments, the Board will order a reduction in subjects' 2007 assessed land values. The particular adjustments are specified below. The decisions of the Ada County Board of Equalization will be modified.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Ada County Board of Equalization concerning the subject parcels be, and the same hereby are, MODIFIED to reflect a decrease in the land values as follows. There is no change to the improvement values.

<u>Parcel</u>	<u>Ordered Land Value</u>
R7192780040	\$131,300
R7192780045	\$131,300

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED MAY 1, 2008